

Deseret Morning News, Tuesday, September 06, 2005

## Oil shale no quick fix

### Deseret Morning News editorial

Vast oil-shale reserves in the western United States could hedge world oil prices — 30 years from now.

After crude oil prices spiked above \$70 this past week, oil shale is again stirring attention. But the RAND Corp., in a study commissioned by the U.S. Department of Energy to study oil shale mining, urges a cautious approach. The newly released report warns that oil shale mining, processing and disposal of spent shale could cause significant environmental problems. Known recovery technologies require significant amounts of water and energy. Other negatives include air pollution and carbon emissions.

This is not to suggest that technology could not overcome many of the environmental ills associated with oil shale, but the impacts to land, water and air cannot be discounted. Nor can the lack of economic feasibility of recovering oil from rock.

The RAND report, the first independent, in-depth study of oil shale since the industry went belly up in the early 1980s, recommends that the Energy Department add oil shale to its research and development profile. It also urges the government not to make any major investments in oil shale development until private firms do so without major government subsidies.

The RAND study is a mix of optimism and healthy skepticism. The prospect of an oil reserve in Utah, Colorado and Wyoming that is three times that of Saudi Arabia is cause for further investigation.

But the lessons of the past are instructive. Westerners well remember that oil shale exploration went bust in the early 1980s. Then, there were substantial federal subsidies. Entire towns on Colorado's West Slope were created — and abandoned — after oil prices bottomed out in the 1980s.

As James Bartis, RAND senior policy researcher and the report's lead author, told the Associated Press: "We've got more oil in this very compact area than the entire Middle East.

"If we go faster, there's a good chance we're going to end up at a dead end. You could end up bogged down."

It is not inconceivable that oil shale could become a significant source of oil for the United States. It is believed oil shale reserves could provide a quarter of the nation's current oil supply for the next 400 years.

But this won't happen overnight. It may be at least 30 years before shale produces enough oil to make a significant contribution to U.S. oil supplies. By then, Americans may be motoring in hydrogen-powered automobiles, which would render oil shale a dinosaur.

---